

# HOUSE . . . . . No. 2768

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## The Commonwealth of Massachusetts

PRESENTED BY:

**Denis E. Guyer**

*To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:*

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying bill:

An Act allowing municipalities to establish a pro enterprise tax.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Denis E. Guyer	2nd Berkshire
Albert Hartheimer	Lanesborough
Albert S. Hartheimer	42 Greylock Estates Road
	Lanesborough, MA 01237

[SIMILAR MATTER FILED IN PREVIOUS SESSION  
SEE HOUSE, NO. 2933 OF 2007-2008.]

## The Commonwealth of Massachusetts

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In the Year Two Thousand and Nine

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### AN ACT ALLOWING MUNICIPALITIES TO ESTABLISH A PRO ENTERPRISE TAX.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1           SECTION 1: This Act may also be called the “Pro-Enterprise Property Tax Act”. The purpose of this Act  
2 is to permit local governments to raise revenue in a manner that stimulates the private economy, encourages housing  
3 construction and repair, generates job opportunities, and fosters development that reduces the premature invasion of  
4 farmland and open space.

5           SECTION 2: Definitions

6           (A) “Assessor” shall have the same meaning as in Chapter 4, Section 7.

7           (B) “Land” means the bare site disregarding any manmade structures as well as site improvements that  
8 inosculate with the land after a period of time such as clearing, grading, fertilizing, or draining.

9           (C) “Improvements” means houses, garages, barns, commercial buildings, factories, orchards, private roads,  
10 and other manmade features on a site.

11           (D) “Tax rate” means the charge against the assessed value of the jurisdiction’s taxable property imposed to  
12 produce revenues.

13           (E) “Two-rate tax” refers to the higher tax rates on land values and the lower tax rate on improvements  
14 imposed by the differential rate structure of this Act.

15           SECTION 3: Enactment

16           The local appropriating authority of any municipality may, in any year, decide by majority vote to have a two-rate  
17 tax, and may set the percentage of tax to be levied on land and the percentage of tax to be levied on improvements,  
18 provided that the percentage of tax on improvements is lower than the tax on land. The assessor shall set the rates  
19 accordingly. The sum of the tax on land and the tax on improvements shall not exceed the state tax limit.

20     SECTION 4: A jurisdiction enacting the two-rate tax system shall apply the two-rate tax system to the entire range  
21     of property taxes within that jurisdiction's authority.